

I claim:

1. A method of rating a financial investment, comprising:
storing financial information about a plurality of financial investments including the financial investment and other financial investments; and
calculating an index for the financial investment based on a comparison of the financial information of the financial investment with the financial information of the other financial investments such that the index is predictive of the financial investment's future performance.
2. The method of claim 1, wherein the financial investment has an expense ratio and a turnover rate, the financial information includes an average expense ratio, and an average turnover rate, and wherein the step of calculating the index comprises:
comparing the expense ratio to the average expense ratio to generate a compared expense ratio;
comparing the turnover rate to the average turnover rate to generate a compared turnover rate; and
calculating a percentile ranking for the financial investment for at least one trailing period of time.
3. The method of claim 2, wherein the step of calculating the percentile ranking comprises:
calculating a one year percentile ranking for the financial investment for the past one year;
calculating a three year percentile ranking for the financial investment for the past three years; and

calculating a five year percentile ranking for the financial investment for the past five years.

4. The method of claim 3, wherein the financial investment has a general investment category and a peer group category within the general investment category, and wherein the average expense ratio is based on the general investment category, the average turnover rate is based on the general investment category, and the one year, three year and five year percentile rankings are based on the peer group category.

5. The method of claim 3, wherein the step of calculating the index further comprises:

weighting the compared expense ratio, the compared turnover rate, and the one year, three year and five year percentile rankings; and

summing the weighted expense ratio, the weighted turnover rate and the weighted one year, three year and five year percentile rankings.

6. The method of claim 5, wherein the compared expense ratio is weighted at 20%, the compared turnover rate is weighted at 5% and the one year, three year and five year percentile rankings are each weighted at 25%.

7. The method of claim 4, wherein the general investment category is one of a U.S. equity category, an international equity category, a taxable bond category, a U.S. balanced fund category and an index fund category.

8. The method of claim 1, further comprising:

comparing the index to a predetermined retention index; and

identifying whether the financial investment should be included in or excluded from a financial investment plan based on the comparison.

9. The method of claim 8, wherein the financial investment is identified to be excluded from the financial investment plan when the index exceeds the predetermined retention index.
10. The method of claim 8, wherein the financial investments is identified to be included in the financial investment plan when the index does not exceed the predetermined retention index.
11. The method of claim 1, further comprising identifying over time when the financial investment has at least one of the expense ratio which exceeds a maximum expense ratio, the turnover rate which exceeds a maximum turnover rate, the one year percentile ranking which exceeds a maximum one year percentile ranking, the three year percentile ranking which exceeds a maximum three year percentile ranking, and the five year percentile ranking exceeds a maximum five year percentile ranking such that the financial investment is identified to be excluded when at least one of the maximum expense ratio, the maximum turnover rate, the maximum one year percentile ranking, the maximum three year percentile ranking, or the maximum five year percentile ranking has been reached.
12. The method of claim 3, further comprising calculating at least one of a median compared expense ratio, a median compared turnover rate, a median one-year percentile ranking, a median three-year percentile ranking and a median five year percentile ranking in the event at least one of the expense ratio, the turnover rate, the one year percentile rating, the three year percentile ranking and the five year percentile ranking is missing from the financial information.

13. A system for rating a financial investment, comprising:

a storage device adapted to store financial information about a plurality of financial investments including the financial investment and other financial investments; and

a calculator adapted to calculate an index for the financial investment based on a comparison of the financial information of the financial investment with the financial information of the other financial investments such that the index is predictive of the financial investment's future performance.

14. The system of claim 13, wherein the financial investment has an expense ratio and a turnover rate, and the financial information includes an average expense ratio, and an average turnover rate, and wherein the system further comprises a comparator adapted to compare the expense ratio to the average expense ratio to generate a compared expense ratio and to compare the turnover rate to the average turnover rate to generate a compared turnover rate, and wherein the calculator is further adapted to calculate a percentile ranking for the financial investment for at least one trailing period of time.

15. The system of claim 14, wherein the calculator is further adapted to calculate a one year percentile ranking for the financial investment for the past one year, a three year percentile ranking for the financial investment for the past three years, and a five year percentile ranking for the financial investment for the past five years.

16. The system of claim 15, wherein the financial investment has a general investment category and a peer group category within the general investment category, and wherein the average expense ratio is based on the general investment category, the

average turnover rate is based on the general investment category and the one year, three year and five year percentile rankings are based on the peer group category.

17. The system of claim 15, wherein the calculator is further adapted to weight the compared expense ratio, the compared turnover rate, and the one year, three year and five year percentile rankings, and to sum the weighted expense ratio, the weighted turnover rate and the weighted one year, three year and five year percentile rankings.

18. The system of claim 17, wherein the compared expense ratio is weighted at 20%, the compared turnover rate is weighted at 5% and the one year, three year and five year percentile rankings are each weighted at 25%.

19. The system of claim 16, wherein the general investment category is one of a U.S. equity category, an international equity category, a taxable bond category, a U.S. balanced fund category and an index fund category.

20. The system of claim 13, wherein the comparator is further adapted to compare the index to a predetermined retention index, and wherein the system further comprises an identifier being adapted to identify whether the financial investment should be included in or excluded from a financial investment plan based on the comparison.

21. The system of claim 20, wherein the financial investment is identified by the identifier to be excluded from the financial investment plan when the comparator determines that the index exceeds the predetermined retention index.

22. The system of claim 21, wherein the financial investment is identified by the identifier to be included in the financial investment plan when the comparator determines that the index does not exceed the pre-determined retention index.

23. The system of claim 13, wherein the identifier is further adapted to identify over time when the financial investment has at least one of the expense ratio which exceeds a maximum expense ratio, the turnover rate which exceeds a maximum turnover rate, the one year percentile ranking which exceeds a maximum one year percentile ranking, the three year percentile ranking which exceeds a maximum three year percentile ranking, and the five year percentile ranking exceeds a maximum five year percentile ranking such that the financial investment is identified to be excluded when at least one of the maximum expense ratio, the maximum turnover rate, the maximum one year percentile ranking, the maximum three year percentile ranking, or the maximum five year percentile ranking has been reached.

24. The system of claim 15, wherein the calculator is further adapted to calculate at least one of a median compared expense ratio, a median compared turnover rate, a median one-year percentile ranking, a median three-year percentile ranking and a median five year percentile ranking in the event at least one of the expense ratio, the turnover rate, the one year percentile rating, the three year percentile ranking and the five year percentile ranking is missing from the financial information.